

March 25, 2021

Honorable Howard Marklein, Co-Chair  
Joint Committee on Finance  
316 East, State Capitol  
P.O. Box 7882  
Madison, WI 53707

Honorable Mark Born, Co-Chair  
Joint Committee on Finance  
308 East, State Capitol  
P.O. Box 8953  
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Honorable Robert Cowles, Co-Chair  
Joint Committee on Audit  
118 South, State Capitol  
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Honorable Samantha Kerkman, Co-Chair  
Joint Committee on Audit  
315 North, State Capitol  
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Mr. Mike Queensland  
Senate Chief Clerk  
P.O. Box 7882  
Madison, WI 53707

Mr. Ted Blazel  
Assembly Chief Clerk  
Room 401, 17 West Main Street  
Madison, WI 53703

**Subject: Investment Policies, Objectives and Guidelines**

Members of the Legislature:

Pursuant to Section 25.17(14r) of the Wisconsin Statutes, I want to advise you that since our last report on December 22, 2020 there were some revisions to the SWIB Investment Committee (IC) Wisconsin Retirement System (WRS) Investment Guidelines.

At its February 25, 2021 meeting, the Investment Committee approved amendments to the SWIB IC WRS Investment Guidelines, which included:

- Modifying the portfolio guidelines for the mortgage-backed securities portfolio to permit investments in certain exchange-traded funds (ETFs);
- Adjusting the portfolio guidelines for the mortgage-backed securities and high yield bond portfolios to exclude ETF investments from certain guideline limits; and
- Incorporating guidelines and approved instruments related to the implementation of approved leverage that were previously approved by the Investment Committee but had resided in separate documents.

The amendments listed above were all reported to the Board of Trustees at its March 17, 2021 meeting.

If you have questions on any of the changes, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Rochelle Klaskin". The signature is written in a cursive style with a large initial 'R' and a long, sweeping underline.

Rochelle Klaskin  
Deputy Executive Director/Chief Administrative Officer

cc: Jay Risch, SWIB Government Relations Liaison  
Members, Joint Committee on Audit  
Members, Joint Committee on Finance  
Joe Chrisman, Legislative Audit Bureau  
Robert Lang, Legislative Fiscal Bureau